

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Apr 23, 2015

Action Requested By: Legal

Agenda Type: Resolution

Subject Matter:

Invoking Letter of Credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk Treasurer to invoke BancorpSouth Bank Letter of Credit No. 362000811842 for Legendwood Subdivision Phase 4.

Note: If amendment, Please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost: _____

Budgeted Item: Not Applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head:  _____

Date: Apr 14, 2015

RESOLUTION NO. 15-_____

WHEREAS, BancorpSouth Bank issued a certain letter of credit (No. 362000811842), a copy of which is attached hereto and incorporated herein by reference, including any amendments thereto, in favor of the City of Huntsville, Alabama pursuant to Article 5 of the Subdivision Regulations for the City of Huntsville, Alabama; and

WHEREAS, the letter of credit is due to be invoked and the proceeds used in accordance with said subdivision regulations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the City of Huntsville Clerk-Treasurer be and is hereby authorized to present for payment to BancorpSouth Bank Letter of Credit No. 362000811842, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 23rd day of April, 2015.

President of the City Council
of the City of Huntsville,
Alabama

APPROVED this the 23rd day of April, 2015.

Mayor of the City of
Huntsville, Alabama



**Amendment Number 001
To
Irrevocable Standby Letter of Credit
BancorpSouth Bank
Tupelo, Mississippi**

Amendment Number 001 Date: March 19, 2014
Original Issuance Date: May 17, 2013
Letter of Credit Number: 362000811842

Beneficiary: City of Huntsville, Alabama
Clerk-Treasurer Office
308 Fountain Circle
Huntsville, AL 35801

Applicant: Wright Homes, LLC
105 Von Braun Dr.
Huntsville, AL 35806

Subject: Article 5 Sidewalk Letter of Credit for Legendwood Subdivision Phase Four, A Resubdivision of part of the common area as recorded in Legendwood Subdivision Phase 3, Document number 20061026000730250 and other land, Huntsville, Alabama.

Dear Sir or Madam:

The above referenced Irrevocable Standby Letter of Credit together with each amendment thereto, (collectively the "Letter of Credit") in the aggregate amount of \$116,520.00 is hereby amended on the indicated Amendment Number 001 Date as follows:

- The Expiration Date is extended from May 15, 2014 to May 15, 2015.
- Letter of Credit Amount is hereby decreased by USD \$62,380.00, to an aggregate amount available not to exceed USD \$54,140.00.

ALL OTHER TERMS AND CONDITIONS STATED IN THE AFOREMENTIONED LETTER OF CREDIT REMAIN UNCHANGED.

This amendment forms an integral part of the Letter of Credit and must be attached thereto. The Beneficiary is requested to notify us promptly and in writing if this amendment is not accepted by the Beneficiary. Rejection of any part of this amendment constitutes rejection of the entire amendment.

MW
3-24-14

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MS
3/20/14

OK
3/25/14

BANCORPSOUTH BANK

BY:

Heather M. Sullivan

Heather M. Sullivan

ITS: Trade Finance Officer



BancorpSouth

IRREVOCABLE STANDBY LETTER OF CREDIT

Date of Issuance: May 17, 2013

No.: 362000811842

Place of Issuance: BancorpSouth Bank
201 South Spring Street
P.O. Box 789
Tupelo, MS 38802
Attn: Trade Finance Department

Date of Expiry: May 15, 2014

Place of Presentment/Expiry: BancorpSouth Bank
603 Madison Street
Huntsville, Alabama 35801
Attn: Huntsville Division President

Beneficiary:
City of Huntsville, Alabama
Clerk-Treasurer Office
308 Fountain Circle
Huntsville, AL 35801

Applicant:
Wright Homes, LLC
105 Von Braun Dr.
Huntsville, AL 35806

Bank:
BancorpSouth Bank
201 South Spring St.
P.O. Box 789
Tupelo, MS 38802
Attn: Trade Finance Dept.

Subject: Article 5 Sidewalk Letter of Credit for Legendwood Subdivision Phase Four, A Resubdivision of part of the common area as recorded in Legendwood Subdivision Phase 3, Document number 20061026000730250 and other land, Huntsville, Alabama

Amount: \$116,520.00 USD


Gentlemen:

We hereby issue our Irrevocable Standby Letter of Credit in your favor for the account of the above-stated applicant for a sum not to exceed the above-stated amount, available by one or more of your drafts drawn on sight at the above-stated address or at the Office of the BancorpSouth Bank in the City of Huntsville, Alabama.

All draft(s) drawn under and in compliance with the terms of this Irrevocable Standby Letter of Credit will be duly honored if drawn and presented for payment on or before the expiration date noted above and accompanied by a signed statement from a representative of the City of Huntsville, Alabama stating:
"This draw is being made pursuant to Article 5 of the Subdivision Regulations."

The original of this Irrevocable Standby Letter of Credit must be presented with any drawing. This Irrevocable Standby Letter of Credit shall be governed by the laws of the State of Alabama, including but not limited to the Alabama Uniform Commercial Code, as the same may be amended from time to time.

BANCORPSOUTH BANK

By: 
David E. Ferrell
Its: Senior Vice President

MS
5/23/13

OK
CE/18
6/5/13
6/7/13